ILLUSTRATION 15, Page 1 I.B. 44.

> BLM Bond No. WY2463 (923k)

JUN 13 1991

### DECISION

Obligor:

Cockrell Oil Corporation
1600 Smith Street, Suite 4600
Houston, TX 77002

Pinancial Institution:

Bank One, Texas N.A.
910 Travis
Houston, TX 77002

)

### Statewide Personal Bond and Letter of Credit Accepted

On May 20, 1991, we received \$25,000 Irrevocable Letter of Credit (LOC) No. 12698 issued by the financial institution named above to secure a statewide personal bond for the above obligor. The bond and letter of credit have been examined and found acceptable; therefore, the bond is accepted effective May 20, 1991.

The pledge for the bond is a LOC written by the financial institution named above. The document will be retained by the BLM until all terms and conditions of the lease have been fulfilled or until a satisfactory replacement bond has been accepted, at which time the LOC will be returned to the financial institution.

The LOC will continue indefinitely in the absence of notice from the financial institution of a determination not to renew it; such a notice must be received in this office at least 90 days prior to the original expiration date of May 15, 1992, or the automatic extension dates falling on the same day in subsequent years. A copy of such notice should also be provided to the obligor, who would then be responsible for providing a replacement security to the BLM. Unless the obligor provides a satisfactory replacement bond at least 30 days prior to the then fixed expiration date, BLM will demand that the financial institution pay the full amount of the credit to ensure continuing bond coverage of the obligor. Any such funds thus obtained will be retained, so long as none are required to correct defaults, until the bond is no longer required or until replacement bond coverage is accepted by the BLM.

Because LOC No 12698 states that the credit will not automatically extend beyond May 15, 1996, the financial institution will be expected to notify this office 90 days prior to that date, that is, no later than February 15, 1996, as to whether or not it will extend the LOC for additional time periods beyond May 15, 1996. As discussed in the preceeding paragraph, if the financial institution elects not to renew the LOC, the obligor must furnish a replacement security no later than April 15, 1996, or the bank must pay the full amount of the LOC to BLM.

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BLM Bond No. WY2463 (923k) Page 2

The statewide bond will be maintained by this office and should be referenced in all correspondence as BLM Bond No. WY2463. The bond constitutes coverage of all operations, including unit operations, conducted by or on behalf of the obligor on Federal leases in the State of Wyoming. The bond provides coverage of the obligor where that obligor has interest in, and/or responsibility for operations on, leases issued under the authority of any of the Acts cited on the bond form. Please note that federal leases do not include Indian leases.

### M BEVERLY J. POTEET

Beverly J. Potest Supervisory Land Law Examiner

cc:

Negotiable Securities Custodian, (S. Tokarczyk, SC-615)

TSTEVENS:6/11/91:0232n, pp. 1 & 2

## FIRST NATIONAL BANK

ESTABLISHED 1873

## INTERNATIONAL BANKING DEPARTMENT

P.O. Box 30709 Salt Lake City, Utah 84130 U.S.A.

Telephone: 801/524-4916

Telex: 3789475 Answerback: INTBKZIONS SLC Swift Code: ZFNBUS55

IRREVOCABLE LETTER OF CREDIT

BLM

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CHIEF MINERALS ADJUDICATION SECTION 324 SOUTH STATE STREET

**SULTE 301** 

SALT LAKE CITY, OTAH 84111-2303

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DATE:

LETTER OF CREDIT NO.:

Nº 004483

### Gentlemen:

We hereby establish our Irrevocable Letter of Credit in your favor for the account of GARY MOON DBA COYOTE DIG. 3376 SOUTH VERNAL AVERUE, VERHAL, UTAH 840/8

up to the aggregate amount of

USD10,000.00

available by your draft(s) drawn at

SIGHT

on Zions First National Bank, Salt Lake City, Utah accompanied by:

A SIGNED STATEMENT CERTIFYING THAT GARY MOON BBA COYOTE OIL HAS FAILED TO PERFORM AS AGREED UNDER THE OIL AND GAS GEOTHERMAL LEASE SERIAL HUMBER V-58226.

\* \* \* \* \* \* \* \* \* \*

Acceptable



We hereby agree with drawers, endorsers and bona fide holders that all drafts drawn under and in compace with the terms of this credit will be duly honored upon presentation and delivery of documents as ecified to the drawee if drawn and presented for negotiation on or before provided to the drawee if drawn and presented for negotiation on or before

The Amount and Date of Each Negotiation Must Be Endorsed on the Back Hereof by the Negotiating Bank.

This Credit is Subject to the 'Uniform Customs and Practice for Documentary Credits

ILLUS. 15, pg. 4

### IRREVOCABLE LETTER OF CREDIT

# First Interstate Bank

United States Department of the Interior Bureau of Land Management 324 South State, #301 Salt Lake City, UT 84111-2303

Reference Lease #U-10166

First Interstate Bank of Utah, N.A. 180 South Main Street Salt Lake City, Utah 84101 (801) 350-7046 Julie Hansen

THIS LETTER OF CREDIT REPLACES OUR #2798 IN PART

> October 1 1990

> > All drafts drawn must be marked

'Drawn Under First Interstate Bank of Utah, N.A. Letter of Credit No. 2879

GENTLEMEN

ACCOUNT OF

WE HEREBY ESTABLISH OUR IRREVOCABLE LETTER OF CREDIT IN YOUR FAVOR FOR M & M Operating, 1442 East Hwy 40, Vernal, UT 84078

UP TO THE AGGREGATE AMOUNT OF \*\*\*\$10,000.00\*\*\*\*\*

AVAILABLE BY YOUR DRAFTS AT ...sight........... ON First Interstate Bank of Utah, N.A.

AND ACCOMPANIED BY DOCUMENTS SPECIFIED

BELOW XXXXXXXX

Your signed statement certifying that there has been an event of default under the terms of the Oil and Gas Lease Bond; OR, your signed statement certifying that M & M Operating has failed to furnish an acceptable substitute bond at least 30 days prior to the expiration of the Letter of Credit - due to the Bank having given proper 90 day notice of intent not to renew the Letter of Credit.

This Letter of Credit shall be automatically extended without amendment for an additional period of one year from the present or each future expiration date unless we (Bank) notify you by certified, courier express, or handdelivered mail not less than 90 days before such expiration date that we elect not to renew this Letter of Credit.

Acceptable

WE HEREBY AGREE WITH BONA FIDE HOLDERS THAT ALL DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS CREDIT SHALL MEET WITH DUE HONOR UPON PRESENTATION AND DELIVERY OF DOCUMENTS AS SPECIFIED TO THE DRAWEE IF DRAWN AND PRESENTED FOR NEGOTIATION ON OR BEFORE

<u>September 25.</u> 19 91 or any automatically extended date as Very Truly Yours

hereinbefore set forth.

"This credit is subject to the Uniform Customs and Practice for Documentary credits (1983 revision), International Chamber of

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Commerce, Publication no. 400

First Interstate Bank of Utah, N.A.

CR 12 (10-84)6

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### ZIONS FIRST NATIONAL BANK

ESTABLISHED 1873

### P.O. Box 30709

P.O. Box 30709
Salt Lake City, Utah 84130 U.S.A.

INTERNATIONAL BANKING DEPARTMENT

Telephone: 801/524-4916
Telex: 3789475 Answerback: INTBKZIONS SLC Swift Code: ZFNBUS55

### IRREVOCABLE LETTER OF CREDIT

BLM
CHIEF MINERALS ADJUDICATION SECTION
324 SOUTH STATE STREET
SUITE 301
SALT LAKE CITY, UTAH 84111-2303

DATE: OCTOBER 09, 1990

LETTER OF CREDIT NO. Nº 004537

Gentlemen:

We hereby establish our Irrevocable Letter of Credit in your favor for the account of BARY MOON DBA COYOTE DIL, 3376 SOUTH VERNAL AVENUE, VERNAL, UTAH

up to the aggregate amount of

USD10,000.00

available by your draft(s) drawn at

SIGHT

on Zions First National Bank, Salt Lake City, Utah accompanied by

A STATEMENT SIGNED BY AN AUTHORIZED DFFICER OF THE BLM TO THE EFFECT THAT GARY MOON DBA COYOTE OIL HAS BEEN DETERMINED TO BE IN DEFAULT AND THE AMOUNT DRAWN REPRESENTS THE REASONABLE AMOUNT AS DETERMINED BY BLM OF SUCH DEFAULT.

THIS CREDIT WILL AUTOMATICALLY BE EXTENDED FOR PERIODS OF ONE YEAR FROM SCHEDULED EXPIRATION DATE, AS ORIGINALLY SCHEDULED OR AS AUTOMATICALLY EXTENDED BY THIS PROVISION, UNLESS 90 DAYS PRIOR TO SUCH DATE, WE NOTIFY THE BLM OFFICE ORIGINALLY ACCEPTING THIS LETTER BY CERTIFIED MAIL-RETURN RECEIPT REQUESTED, THAT WE ELECT NOT TO RENEW THIS LETTER FOR SUCH ADDITIONAL PERIOD.

UPON RECEIPT BY THE BLM OF SUCH A NOTICE FROM US NOT TO RENEW THIS LETTER, BLM MAY DRAW ON US AT SIGHT FOR UP TO THE AMOUNT OF THIS LETTER OF CREDIT, PRIOR TO THE EXPIRATION THEREOF, PROVIDED THAT SUCH DRAFT IS ACCOMPANIED BY A STATEMENT SIGNED BY AN AUTHORIZED OFFICER OF THE BLM TO THE EFFECT THAT NO SATISFACTORY REPLACEMENT BOND HAS BEEN PROVIDED BY GARY MOON DBA COYOTE OIL PRIOR TO 30 DAYS BEFORE THIS LETTER OF CREDIT EXPIRES, PURSUANT TO 43 CFR 3104.1(c)(5)(ii).

\* \* \* \* \* \* \* \* \* \* \* \* \*

Acceptable

We hereby agree with drawers, endorsers and bona fide holders that all drafts drawn under and in compce with the terms of this credit will be duly honored upon presentation and delivery of documents as specified to the drawee if drawn and presented for negotiation on or before OCTOBER 01, 1991\*

\*OR ANY AUTOMATICALLY EXTENDED DATE, AS HEREINBEFORE SET FORTH

The Amount and Date of Each Negotiation Must Be Endorsed on the Back Hereof by the Negotiating Bank.

"This Credit is Subject to the Halfage Consequent III

Very Truly Yours,

